



August 16, 2010

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RE: Request to Extend the Availability of the Large General Service (Experimental - Real Time Pricing) Schedule LGS-RTP - SCPSC Docket No. 1997-057-E

Dear Mrs. Boyd:

Progress Energy Carolinas, Inc. (hereinafter "PEC") first offered service under the Large General Service (Experimental - Real Time Pricing) Schedule LGS-RTP in 1997 to gain an improved understanding of customer response to electric rates that vary hourly. The primary objective of Schedule LGS-RTP is to encourage customers to reduce consumption when the cost of producing electricity is high and shift consumption to hours when the cost of producing electricity is low. The customer's load response to these price signals results in more efficient utilization of existing generation resources and reduces the need for new generation.

The availability of Schedule LGS-RTP presently expires on and after December 31, 2010. PEC is herein seeking approval to revise the Schedule and extend its availability until December 31, 2012. Extending the availability will provide customers with increased assurance that Schedule LGS-RTP will continue to be a viable rate option in the future and will therefore better support operating decisions to influence their overall cost for electricity based upon a variable hourly pricing rate design.

The rate design is useful to large industrial customers as a means to influence their overall cost for electricity. It also offers appropriate price signals that encourage participants to reduce usage during peak periods. Extending the experiment will continue to afford PEC an opportunity to evaluate hourly price development and other rate design considerations under a broader range of system operating conditions.

The Large General Service (Experimental - Real Time Pricing) Schedule LGS-RTP is attached as Exhibit No. 1 and has been revised to reflect the availability extension until December 31, 2012. No other changes to the tariff are requested. The Commission's prompt attention to this matter is appreciated.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Len S. Anthony', written over a horizontal line.

Len S. Anthony
General Counsel
Progress Energy Carolinas, Inc.

LSA:sw

Attachment

LARGE GENERAL SERVICE
(EXPERIMENTAL - REAL TIME PRICING)
SCHEDULE LGS-RTP-16A

AVAILABILITY

This Schedule is available for electric service on an experimental basis to a maximum of twenty (20) nonresidential customers with a Contract Demand that equals or exceeds 1,000 kW.

This Schedule is not available: (1) for short-term or temporary service; (2) for electric service in conjunction with Incremental Power Service Rider IPS and Dispatched Power Rider No. 68; (3) for electric service in conjunction with Curtailable Load Riders No. 58 and CL, Economic Development Rider ED, and Economic Redevelopment Rider ERD, except as provided for in the RTP Base Charge; (4) to a customer who had discontinued receiving service under this Schedule, or its predecessor, during the previous 12 months; (5) for any new customer with a Contract Demand in excess of 50,000 kW; or (6) for service rendered after December 31, 2012. Power delivered under this Schedule shall not be used for resale, or as a substitute for power contracted for or which may be contracted for under any other schedule of Company, except at the option of Company, under special terms and conditions expressed in writing in the contract with Customer. Customer shall be required to furnish and maintain a communication link and equipment suitable to support remote reading of Company's meter serving Customer and to support daily receipt of the Hourly Real Time Pricing (RTP) Rates.

APPLICABILITY

This Schedule is applicable to all electric service of the same available type supplied to Customer's premises at one point of delivery through one meter.

TYPE OF SERVICE

The types of service to which this Schedule is applicable are alternating current, 60 hertz, three-phase 3 or 4 wires, at Company's standard voltages of 480 volts or higher. When Customer desires two or more types of service, which types can be supplied from a three-phase 4 wire type, without voltage transformation, only the type of service necessary for Customer's requirements will be supplied under this Schedule.

CONTRACT DEMAND

The Contract Demand shall be the kW of demand specified in the Service Agreement.

CUSTOMER BASELINE LOAD (CBL)

Company shall establish a Customer Baseline Load (CBL), expressed in kilowatt-hours, using one complete year of Customer-specific hourly load data that, in Company's opinion, represents Customer's electricity consumption pattern and is typical of Customer's operation for billing under the otherwise applicable tariffs and from which to measure changes in consumption for billing pursuant to this Schedule. For situations in which hourly load data are not available, a CBL will be constructed by Company using load shapes of customers with similar usage patterns and from relevant information provided by Customer and verified by Company. Establishment of a CBL is a precondition for use of this Schedule.

CBL DETERMINATION

The CBL shall be adjusted at Company's sole discretion to reflect: (1) installation of permanent energy efficiency measures; (2) permanent removal or addition of Customer's equipment; (3) one-time extraordinary events such as natural disasters; (4) annual plant shutdowns or other random variations in the load patterns; and (5) other changes in usage. After the initial CBL is established, it shall only be subject to a downward adjustment at Customer's request by providing 30 days advance written notice of a

permanent reduction of electrical load due to the installation of demonstrable energy efficiency measures or removal of Customer's equipment. Such downward adjustment is subject to Company's concurrence.

CBL CALENDAR MAPPING

To provide Customer with the appropriate CBL for the RTP Service Year, the hourly consumptions established by the CBL shall be calendar-mapped to the corresponding day of the RTP Service Year. Calendar-mapping is a day-matching method to ensure that Mondays are matched to Mondays, holidays to holidays, etc.

The CBL shall be established by first identifying holidays and then grouping the remaining days, i.e., Mondays, Tuesdays, etc, and averaging over the calendar month to result in hourly consumption for a typical week in each calendar month. The CBL result shall then be adjusted for each calendar month to reflect annual plant shutdowns, holidays, or other known work stoppages during the next RTP Service Year. Calendar-mapping is performed prior to each annual renewal of service under this Schedule after adjustments, if any, are made to the CBL.

MONTHLY RATE

The monthly rate shall consist of the following charges:

I. RTP Administrative Charge:

\$500.00

II. RTP Base Charge:

RTP Base Charge = Monthly Bill for the hourly CBL consumption of the current billing month pursuant to the conventional LGS Class tariffs under which Customer either previously received service or would have elected to receive service prior to electing this Schedule. When the conventional tariffs include Economic Development Rider ED, Economic Redevelopment Rider ERD, or Curtailable Load Riders No. 58 or CL, the provisions of these Riders shall only apply to the CBL usage.

III. RTP Hourly Energy Charge Adjustment:

RTP Hourly Energy Charge = $\sum \{ \text{Hourly RTP Rate} \times (\text{Hourly Consumption} - \text{CBL Consumption}) \}$

where:

\sum = The summation of the RTP charges and credits for each hour of the current billing month.

The Hourly RTP Rate shall be determined based upon the following formula:

Hourly RTP Rate = $(\text{MENERGY} + \text{CAP} + \text{ADDER}) \times (1 + \text{TAXES})$

where:

MENERGY = Marginal Energy Cost per kilowatt-hour including marginal fuel, variable operating and maintenance expenses, and delivery losses

CAP	=	Tiered Capacity Charge per kilowatt-hour applicable whenever the day-ahead forecast of the ratio of hourly available generation to hourly demand is equal or less than 1.15
ADDER	=	$\beta \times (\text{Class Rate} - \text{Hourly Marginal Cost})$, but not less than zero.
where:		
β	=	a fixed value equal to 0.20
Class Rate	=	the prior calendar year average rate per kilowatt-hour under the conventional tariffs applicable to the LGS class, as updated annually effective with the February billing
Hourly Marginal Cost	=	the sum of the specific hour's kilowatt-hour price for MENERGY and CAP, all as defined above
TAXES	=	South Carolina Gross Receipts Tax (currently 0.3%)

IV. Facilities Demand Charge:

per kW of Facilities Demand for service provided from:

Transmission System (voltage of 69 kV or higher) without transformation	\$1.74/kW
Transmission System (voltage of 69 kV or higher) with one transformation	\$2.17/kW
Distribution System (voltage below 69 kV) without transformation	\$2.34/kW
Distribution System (voltage below 69 kV) with one transformation	\$2.66/kW

The kW of Facilities Demand shall be the greater of (1) the Contract Demand or (2) the maximum demand registered or recorded by Company's meter during a 15-minute interval in the current billing month, in excess of the maximum demand included in the CBL applicable to the current billing month. The Facilities Demand shall include any Standby Service kW, when applicable.

V. Variable Environmental Charge:

per kW of RTP Demand: \$0.13 per kW

where: RTP Demand equals the difference between the maximum monthly demand registered or recorded and the CBL Billing Demand (use the on-peak demand for both if the CBL is billed under Schedule LGS-TOU).

VI. DSM/EE Incremental Usage Adjustment

DSM/EE Incremental Charge = $(\text{Actual Consumption} - \text{CBL Consumption}) \times \text{DSM/EE Adjustment}$

where:

Actual Consumption = kWh consumed during the billing month

CBL Consumption = kWh billed as the CBL during the billing month

DSM/EE Adjustment = DSM/EE rate adjustment during the current billing month

FUEL AND DSM/EE ADJUSTMENT

Fuel and related environmental costs as set forth in Rider No. 39A and demand side management and energy efficiency costs as set forth in Rider DSM/EE-2 are included in the above charges and are subject to adjustment by order of the Public Service Commission of South Carolina. The rates applicable under Rider DSM/EE-2 are provisional and are therefore subject to true-up with interest upon further review by the Office of Regulatory Staff and the Public Service Commission of South Carolina.

PROVISION OF STANDBY SERVICE

If service is received under a standby service tariff prior to service under this Schedule, the use of standby service shall be excluded from initial determination and update of the CBL. The RTP Base Charge, as set forth in the Monthly Rate provision above, shall include billing of Supplementary Service but shall not include any charges related to reservation or use of Standby Service. The Monthly Rate provisions of the applicable standby service tariff shall be calculated assuming no standby service was used. Any use of Standby Service will be billed pursuant to the RTP Hourly Energy Charge provisions of this Schedule. All other provisions of the applicable standby service tariff apply.

POWER FACTOR ADJUSTMENT

When the power factor in the current billing month is less than 85%, the monthly bill will be increased by a sum equal to \$0.30 multiplied by the difference between the maximum reactive kilovolt-amperes (kVAR) registered by a demand meter suitable for measuring the demand used during a 15-minute interval and 62% of the maximum kW demand registered in the current billing month.

CUSTOMER RATE NOTIFICATION

Company will notify Customer of the hourly prices via electronic mail, or other method of communications acceptable to Company, by 4 p.m. of the preceding business day. Prices for Saturday, Sunday and Monday will generally be available on the preceding Friday. For a recognized holiday and the day following the holiday, prices will be available the preceding Company business day. Whenever prices are provided in excess of a day ahead and updated projections would result in significantly different prices, Company reserves the right to issue revised prices provided such prices are conveyed no later than 4 p.m. on the preceding calendar day.

Company is neither responsible nor liable for Customer's failure to receive and act upon the hourly prices. If Customer does not receive these prices, it is Customer's responsibility to inform Company so that future prices may be supplied.

SALES AND FRANCHISE TAX OR PAYMENT IN LIEU THEREOF

To the above charges will be added any applicable South Carolina sales tax, and for those customers within any municipal or other local governmental jurisdiction, an appropriate amount to reflect any franchise fee, business license tax, or similar percentage fee or tax, or charge in lieu thereof imposed by such entity.

PAYMENTS

Bills are due when rendered and are payable within 15 days from the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with its Service Regulations. In addition, any bill not paid on or before the expiration of twenty-five (25) days from the date of the bill is subject to an additional charge of 1.5% per month as provided in Rule 103-339(3) of the Rules and Regulations of the South Carolina Public Service Commission.

CONTRACT PERIOD

The Contract Term shall be for one year and will be automatically renewed annually unless terminated by either party by giving not less than thirty (30) days written notice of termination. In the event the Contract Period extends beyond December 31, 2012, the Contract Period shall instead be a period ending December 31, 2012. During the initial 12 months of service under this Schedule, the Contract Period may be terminated, at Company's option, when continued service under this Schedule will result in a demonstrable economic hardship for the Customer.

GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations and any changes therein, substitutions therefor, or additions thereto lawfully made. Company makes no representation regarding the benefits of Customer subscribing to this Schedule. Customer, in its sole discretion, shall determine the feasibility and benefits of Customer subscribing to this Schedule. For the purpose of determining Customer's fuel cost recovery responsibility in accordance with S.C. Code Ann. Section 58-27-865, for each kWh billed Customer pursuant to this Schedule, an amount equal to the currently approved fuel cost rider shall be treated as the cost of fuel.

Where Customer's other source of power is connected electrically or mechanically to equipment which may be operated concurrently with service supplied by Company, Customer shall install and maintain at his expense such devices as may be necessary to protect his equipment and service and to automatically disconnect his generating equipment, which is operated in parallel with Company, when service used by Customer is affected by electrical disturbances on Company's or Customer's systems. Should Company determine that Customer's facilities are not adequate to protect Company's facilities, Company may install the necessary facilities and Customer shall pay for the additional facilities in accordance with Company's Service Regulations.

Supersedes Schedule LGS-RTP-16

Effective for bills rendered on and after _____, 2010

SCPSC Docket No. 1997-057-E, Order No. 2010-_____